

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulations  
Maryland Insurance Administration**  
(DLS Control No. 16-020)

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## **Overview and Legal and Fiscal Impact**

The regulations make a number of technical changes to COMAR 31.04: Insurers consistent with the Maryland Insurance Administration's Regulatory Review and Evaluation Act Report for that chapter.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

## **Regulations of COMAR Affected**

### **Maryland Insurance Administration:**

Insurers: Examination of Insurers: COMAR 31.04.01.01 and .03

Conflict of Interests: COMAR 31.04.06.00 and .01

Filing of Forms for Approval: COMAR 31.04.17.00 and .03

Filing of Forms Under File and Use Method: COMAR 31.04.19.02 and .05

Title Insurers: COMAR 31.04.22.04

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## **Legal Analysis**

### **Summary of Regulations**

The regulations make a number of technical changes to COMAR 31.04: Insurers consistent with the administration's Regulatory Review and Evaluation Act Report for that chapter. Specifically, the regulations:

- Change the terms "accepted reinsurer" to "accredited reinsurer", "accepted fronting reinsurer" to "fronting reinsurer", and "stop-loss insurance" to "medical stop-loss insurance" for consistency with statute (Regulations 31.04.01.01 and .03 and 31.04.19.02 and .05);
- Alter the enabling authority for 31.04.06: Conflict of Interests and 31.04.17:Filing of Forms for Approval;

- Amend language relating to interrogatories for consistency with language in the National Association of Insurance Commissioners annual statement (Regulation 31.04.06.01);
- Require a carrier to provide a specified mathematical outline and a specified numerical demonstration when filing an annuity contract with the Maryland Insurance Commissioner for approval, for consistency with current regulatory practice (Regulation 31.04.17.03);
- Add individual health benefit plans to the list of health insurance applications that may not be filed under the file and use method (Regulation 31.04.19.05); and
- Correct cross-references (Regulations 31.04.01.03, 31.04.19.02, and 31.04.22.04).

## **Legal Issues**

The regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The administration cites numerous statutory provisions as statutory authority for the regulations. Specifically, the regulations are authorized by §§ 2-109, 2-205, 4-116, 12-203(d)(2), and 16-504(e) of the Insurance Article. Section 2-109(a) requires the Commissioner to adopt regulations to carry out the Insurance Article. Section 2-205 requires the Commissioner to conduct an examination of each authorized insurer and each authorized health maintenance organization. Section 4-116 requires each authorized insurer to file an annual statement of its financial condition. Section 12-203(d)(2) authorizes the Commissioner to adopt regulations to allow specified forms to become effective when they are filed with the Commissioner. Finally, § 16-504(e) authorizes the Commissioner to adopt regulations to implement provisions of law regarding minimum nonforfeiture amounts for annuity contracts.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

## **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

## **Agency Estimate of Projected Fiscal Impact**

The administration advises that the regulations have no impact on State or local governments. The Department of Legislative Services concurs.

## **Impact on Budget**

There is no impact on the State operating or capital budget.

## **Agency Estimate of Projected Small Business Impact**

The administration advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

## **Contact Information**

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